

H. G. YOUNG

M I N E S L I M I T E D

1969

ANNUAL REPORT

THE ANNUAL MEETING WILL BE HELD ON THURSDAY,
JUNE 4th, 1970, AT 11:30 A.M., TORONTO TIME, AT
SUITE 705, 105 ADELAIDE ST. W., TORONTO, ONTARIO

H. G. YOUNG MINES LIMITED

OFFICERS	W. H. MAEDEL - - - - - President
	J. D. STREIT - - - - - Vice-President
	M. K. COFFIN - - - - - Secretary-Treasurer
DIRECTORS	H. F. BROWNBILL
	M. K. COFFIN
	R. A. CRANSTON, Q.C.
	J. M. GODFREY, Q.C.
	W. H. MAEDEL
	J. B. STREIT
	J. D. STREIT
TRANSFER AGENT AND REGISTRAR	CROWN TRUST COMPANY TORONTO, CANADA
BANKERS	CANADIAN IMPERIAL BANK OF COMMERCE TORONTO, CANADA
HEAD OFFICE	105 ADELAIDE ST. WEST, TORONTO, ONTARIO

Report of the Directors

To the Shareholders:

The Annual Report of the Company for the year ended December 31, 1969 is presented herewith.

Working capital at the end of the year amounted to \$72,873. This figure was substantially increased in February, 1970 through the sale of the remainder of the milling plant for the sum of \$80,000.

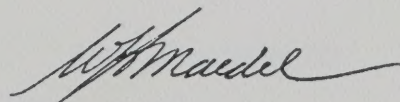
All of the buildings and equipment from the Company's former gold producing operations have now been disposed of, the mining plant having been sold previously. Accordingly, buildings and equipment, as shown on the Balance Sheet, were written down at December 31, 1969 to the amount of the proceeds from the sale of the milling plant. Appropriate further steps were taken in writing down the former gold-producing property in the Red Lake area to a nominal value of \$1 and writing off the deferred expenses relating thereto. These accounting procedures in no way affect the status of the property which is being maintained in good standing and could become the target for renewed exploration for gold deposits under more favourable conditions.

During 1969, diamond drilling was carried out on a group of 25 claims in Valrennes Township, Quebec for the purpose of testing an electro-magnetic and coincident magnetic anomaly. Only minor amounts of mineralization were encountered in the drilling and the results did not justify doing further work.

With approximately \$150,000 now in the treasury, it is intended to continue exploration for mineral deposits.

It is with regret that we have to advise you of the death of Mr. Bert W. Lang, a former President and a Director of the Company for many years. Mr. R. A. Cranston, Q.C., was appointed a Director in his place.

On behalf of the Board,

A handwritten signature in dark ink, appearing to read 'R. A. Cranston', written in a cursive style.

President.

May 4, 1970

H. G. YOUNG MINES LIMITED

(Incorporated under The Corporations Act — Ontario)

Balance Sheet as at December 31, 1969

(with comparative figures for 1968)

ASSETS		1969	1968
CURRENT			
Cash and short-term deposits	\$	4,273	\$ 80,025
Government of Canada treasury bills — at cost		68,679	—
Accounts receivable		—	1,903
Prepaid insurance		414	365
		<u>73,366</u>	<u>82,293</u>
FIXED (Note 1)			
Mining properties — at nominal value	\$	1	
Buildings and equipment — at realizable value		80,000	
		<u>80,001</u>	<u>461,387</u>
OTHER			
Deferred development and administrative expenses (Note 1)		—	1,179,502
		<u>\$ 153,367</u>	<u>\$1,723,182</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued charges	\$	493	\$ 501
SHAREHOLDERS' EQUITY			
CAPITAL STOCK (Notes 2 and 3)			
Authorized			
7,000,000 shares at a par value of \$1.00 each			
Issued and fully paid			
5,296,485 shares	\$5,296,485		
Less discount thereon	3,368,860		
	<u>\$1,927,625</u>		<u>1,927,625</u>
Deficit, per statement attached	1,774,751		204,944
	<u>152,874</u>		<u>1,722,681</u>
	<u>\$ 153,367</u>		<u>\$1,723,182</u>

On behalf of the Board:

"W. H. MAEDEL", Director.

"J. M. GODFREY", Director.

H. G. YOUNG MINES LIMITED

Statement of Expenses FOR THE YEAR ENDED DECEMBER 31, 1969 (with comparative figures for 1968)

	1969	1968
Mine	\$ 6,985	\$ 6,443
Exploration	3,615	9,766
Head office	6,546	6,273
	17,146	22,482
Interest and other income	7,088	4,527
	<u>\$ 10,058</u>	<u>\$ 17,955</u>

Statement of Deficit FOR THE YEAR ENDED DECEMBER 31, 1969 (with comparative figures for 1968)

Deficit, January 1	\$ 204,944	\$ 184,780
Mining properties written down to nominal value (Note 1)	164,554	2,209
Write-down of buildings and equipment (Note 1)	215,693	—
Deferred development and administrative expenses written off (Note 1)	1,179,502	—
Expenses for the year	10,058	17,955
	<u>1,569,807</u>	<u>20,164</u>
Deficit, December 31	<u>\$1,774,751</u>	<u>\$ 204,944</u>

H. G. YOUNG MINES LIMITED

Statement of Source and Application of Funds

FOR THE YEAR ENDED DECEMBER 31, 1969

(with comparative figures for 1968)

	1969	1968
Working capital — January 1	\$ 81,792	\$ 99,747
SOURCE OF FUNDS		
Proceeds of disposal of equipment	1,139	—
	82,931	99,747
APPLICATION OF FUNDS		
Expenses for the year	10,058	17,955
Working capital — December 31	\$ 72,873	\$ 81,792

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 1969

1. On February 6, 1970 the company received \$80,000 as total proceeds from the sale of its buildings and equipment. At December 31, 1969 these assets were written down to this value by charging the resultant loss on disposal of \$215,693 to deficit. At the same time the mining properties were written down to a nominal value of \$1 and the related deferred development and administrative expenses were written off to deficit.
2. At December 31, 1969, 350,000 shares of the company's issued stock were held in escrow subject to release by the Ontario Securities Commission, the Manitoba Municipal and Public Utility Board and the Toronto Stock Exchange.
3. An option on 100,000 shares at 15 cents per share was outstanding on the company's capital stock at December 31, 1969. This option expires May 31, 1972.

AUDITORS' REPORT

The Shareholders,
H. G. Young Mines Limited.

We have examined the balance sheet of H. G. Young Mines Limited as at December 31, 1969 and the statements of expenses and deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TOUCHE, ROSS & CO.,
Chartered Accountants.

Toronto, Ontario,
February 6, 1970.

